

**TESTIMONY
OF
SUSAN O. GILBERT, INTERIM DIRECTOR
BEFORE
THE COMMITTEE ON WORKFORCE DEVELOPMENT
AND GOVERNMENT OPERATIONS
FOR
THE DEPARTMENT OF EMPLOYMENT SERVICES
AGENCY PERFORMANCE OVERSIGHT HEARING**

February 16, 2007

GOOD MORNING CHAIRPERSON SCHWARTZ AND MEMBERS OF THE COMMITTEE ON WORKFORCE DEVELOPMENT AND GOVERNMENT OPERATIONS. I AM SUSAN O. GILBERT, THE INTERIM DIRECTOR OF THE DEPARTMENT OF EMPLOYMENT SERVICES. JOINING ME TODAY ARE IBRAHIM KOROMA, THE DEPARTMENT'S CHIEF FINANCIAL OFFICER; DARYL HARDY, ADMINISTRATIVE OFFICER OF THE WORKFORCE DEVELOPMENT BUREAU; AND CHARLES GREEN, ASSOCIATE DIRECTOR OF THE OFFICE OF WORKERS' COMPENSATION.

IT GIVES ME GREAT PLEASURE TO REPORT THAT THE FUTURE IS BRIGHT FOR THE DEPARTMENT AND THE PEOPLE WE SERVE. WE HAVE MADE STRIDES TOWARD ACCOMPLISHING OUR CORE GOALS AND OBJECTIVES.

THE MISSION OF THE DEPARTMENT OF EMPLOYMENT SERVICES IS TO FOSTER ECONOMIC DEVELOPMENT AND GROWTH IN THE DISTRICT OF COLUMBIA BY PROVIDING WORKFORCE DEVELOPMENT SERVICES, BRINGING TOGETHER EMPLOYERS AND JOB SEEKERS, COMPENSATING ELIGIBLE UNEMPLOYED AND INJURED WORKERS, AND PROMOTING SAFE AND HEALTHY WORKPLACES. ALL OF THE DEPARTMENT'S PROGRAMS, ACTIVITIES, AND SERVICES ARE FOCUSED ON ACCOMPLISHING THIS CRITICAL AND AMBITIOUS MISSION.

STRUCTURALLY, THE DEPARTMENT IS COMPOSED OF FIVE MAJOR PROGRAM AREAS – UNEMPLOYMENT INSURANCE, LABOR STANDARDS, WORKFORCE DEVELOPMENT, AGENCY FINANCIAL OPERATIONS, AND AGENCY MANAGEMENT. EACH MAJOR PROGRAM AREA HAS BETWEEN TWO AND TEN DISCRETE ACTIVITIES THROUGH WHICH SERVICES ARE DELIVERED TO CUSTOMERS.

IN FY 2007, THE DEPARTMENT’S STAFFING LEVEL IS AT 544 FTES. OF THIS TOTAL, 282 FTES ARE SUPPORTED BY FEDERAL FUNDS AND 100 FTES ARE SUPPORTED BY LOCAL APPROPRIATED FUNDS. ANOTHER 156 FTES ARE SUPPORTED THROUGH THE “OTHER FUNDS” CATEGORY, PRIMARILY WORKERS’ COMPENSATION ADMINISTRATIVE ASSESSMENT AND UNEMPLOYMENT INSURANCE ADMINISTRATIVE ASSESSMENT SURCHARGE DOLLARS. FINALLY, 6 FTES ARE SUPPORTED THROUGH INTRA-DISTRICT FUNDING, PRIMARILY WITH RESOURCES TRANSFERRED FROM THE OFFICE OF RISK MANAGEMENT.

THE DISTRICT’S PRIMARY PERFORMANCE REPORTING SYSTEM IS THE “ARGUS SCORECARD,” AN ELEMENT OF THE DISTRICT’S NEW BUDGET SYSTEM ADOPTED UNDER THE ADMINISTRATIVE SERVICES MODERNIZATION PROGRAM (ASMP). ON THE ARGUS SCORECARD, THE DEPARTMENT HAS BEEN ASSIGNED 14 KEY RESULT MEASURES. IN FY

2006, WE MET OR EXCEEDED OUR PERFORMANCE GOALS IN 13 OF THE 14 KEY RESULT MEASUREMENT AREAS.

IN THE FIRST QUARTER OF FY 2007, THE DEPARTMENT AGAIN HAS MET OR EXCEEDED ALL BUT ONE OF ITS ASSIGNED KEY RESULT MEASURES. THE ONE AREA IN WHICH WE UNDERPERFORMED WAS TIMELINESS OF THE ISSUANCE OF WRITTEN REVIEWS OF COMPENSATION REVIEW BOARD CASE DECISIONS. FY 2007 IS THE FIRST YEAR THAT WE ARE REPORTING THIS MEASURE. THE PROGRAM MANAGER IS CURRENTLY CONDUCTING A PROCESS REVIEW TO DETERMINE MORE EFFECTIVE METHODS THAT WILL ASSURE THAT WE MEET THE ESTABLISHED GOAL BY YEAR'S END.

WE ARE HERE TODAY TO DISCUSS THE FULL PERFORMANCE OF THE DEPARTMENT. WHILE IT IS IMPORTANT TO HAVE AN UNDERSTANDING OF THE JOB TRAINING OR APPRENTICESHIP SYSTEMS, IT IS EQUALLY IMPORTANT TO UNDERSTAND THAT AS THE "STATE" DEPARTMENT OF LABOR, WE PLAY A FAR LARGER ROLE IN THE CITY'S ECONOMIC ARENA. WE OFFER CUSTOMERS OPPORTUNITIES TO ACCESS A FULL MENU OF SERVICES MODELED ON "BEST PRACTICES" DEVELOPED IN THE FEDERAL WORKFORCE DEVELOPMENT SYSTEM.

FROM JULY 1, 2005, THROUGH JUNE 30, 2006, 19,169 UNEMPLOYED OR UNDEREMPLOYED INDIVIDUALS REGISTERED FOR JOB PLACEMENT

ASSISTANCE THROUGH THE DEPARTMENT'S ONE-STOP CAREER CENTER SYSTEM. SEVENTY PERCENT OF THOSE INDIVIDUALS CAME TO THE ONE-STOP CAREER CENTER WITH A HIGH SCHOOL DIPLOMA OR LESS.

OFTEN OVERSHADOWED BY THE LOCAL EMPHASIS ON THE BETTER FUNDED, BUT SMALLER JOB TRAINING PROGRAM, THE WAGNER-PEYSER FUNDING STREAM IS THE CORNERSTONE OF EVERY STATE'S WORKFORCE INVESTMENT SYSTEM, AS CONNECTING EMPLOYERS AND JOB SEEKERS IS OUR PRIMARY MISSION. CONFIRMED BY UNEMPLOYMENT INSURANCE RECORDS SECURED FROM EMPLOYERS, 11,307 OR 59% OF JOB SEEKERS WERE REEMPLOYED WITHIN THE YEAR.

THE WAGNER-PEYSER (JOB SERVICE) PROGRAM'S PERFORMANCE CONTINUED TO EXCEED THE FEDERAL GOVERNMENT'S PERFORMANCE RESULTS ACT (GPRA) GOALS AND THE STATE NEGOTIATED LEVELS OF PERFORMANCE FOR THE PROGRAM'S TWO STANDARDS: ENTERED EMPLOYMENT AND EMPLOYMENT RETENTION.

ALONG WITH WAGNER-PEYSER, THE WORKFORCE INVESTMENT ACT (WIA) OF 1998 CONTRIBUTES TO THE FRAMEWORK FOR ONE-STOP SERVICE DELIVERY. THE FOUNDATION OF THE SYSTEM IS THE INTEGRATION OF NUMEROUS EMPLOYMENT, TRAINING, AND EDUCATIONAL PROGRAMS AND SERVICES TO PROVIDE A SEAMLESS SERVICE DELIVERY SYSTEM

THAT IS USER-FRIENDLY, CONVENIENT, AND EFFECTIVE. WHEN DESIGNING OUR ONE-STOP SYSTEM, WE CHOSE TO INTEGRATE THE MAJOR USDOL PROGRAMS: WAGNER-PEYSER, UNEMPLOYMENT INSURANCE, AND WIA. OTHER FEDERAL WORKFORCE AREAS HAVE CHOSEN DIFFERENT MODELS THAT MAY INCLUDE THE TANF PROGRAM HOMELESS PROGRAMS, OR OTHERS.

RECENTLY, THERE HAS BEEN CONSIDERABLE DISCUSSION ABOUT THE DISTRICT'S FEDERAL ONE-STOP/JOBTRAINING PROGRAM, MUCH OF IT NEGATIVE. HOWEVER, SOME OF THE CRITICISM IS NOT SUPPORTED BY THE OUTCOME MEASURES BY WHICH USDOL EVALUATES ALL STATES AND THE DISTRICT.

TO QUOTE USDOL, "THERE WAS A TIME WHEN PROGRAMS IN THE DISTRICT WERE NOT WELL-MANAGED...FREQUENT AND INCONSISTENT MOVEMENT OF STAFF....OVERALL INSTABILITY OF PROGRAM MANAGEMENT AND SERVICE DELIVERY.....NO RELIABLE SYSTEM OF STORING, ACCESSING, AND TRACKING CUSTOMER INFORMATION."

"TO THE CREDIT OF THE DISTRICT MANAGEMENT AND STAFF MANY OF THESE ISSUES HAVE BEEN CORRECTED.....THE VIRTUAL ONE-STOP (VOS) SYSTEM HAS ALLOWED STAFF AND MANAGEMENT TO HAVE REAL TIME ACCESS TO CUSTOMER DATA AND HAS ALLEVIATED MANY OF THE

REPORTING PROBLEMS FACED IN THE NINETIES. THE DISTRICT IS NOW ON THE CUTTING EDGE WITH ITS PILOTING OF SWIPE CARD TECHNOLOGIES. THERE HAS ALSO BEEN AN INCREASE IN THE SOPHISTICATION OF STAFF WITHIN THE SYSTEM. RECENTLY THE DISTRICT WAS ASKED TO PROVIDE ASSISTANCE TO WEST VIRGINIA IN ESTABLISHING A BUSINESS SERVICES MODEL.”

THE DISTRICT’S WIA POPULATION IS 90% AFRICAN-AMERICAN, 63% FEMALE, AND 78.4% HAVE A HIGH SCHOOL EDUCATION OR LESS. FROM A PERFORMANCE STANDPOINT, LAST YEAR SEVENTY-SIX PERCENT OF ADULT PROGRAM COMPLETERS ENTERED EMPLOYMENT AND 71% REMAINED EMPLOYED 90 DAYS AFTER PLACEMENT. FURTHER, 81% OF DISLOCATED ADULT COMPLETERS ENTERED EMPLOYMENT AND 84% REMAINED EMPLOYED 90 DAYS AFTER PLACEMENT. THESE OUTCOMES HAVE BEEN CERTIFIED BY THE U.S. DEPARTMENT OF LABOR AND VERIFIED THROUGH EXAMINATION OF EMPLOYER TAX RECORDS.

IN PROGRAM YEAR 2005, THE DEPARTMENT EXCEEDED EACH OF THE 17 WIA PERFORMANCE GOALS THAT WE NEGOTIATED WITH THE U.S. DEPARTMENT OF LABOR. FOR THE FIRST TIME EVER, THE DEPARTMENT’S PERFORMANCE QUALIFIED THE DISTRICT TO RECEIVE FEDERAL INCENTIVE FUNDING ABOVE AND BEYOND OUR FORMULA GRANT.

CLEARLY THERE REMAIN CHALLENGES. ONE CLEAR CHALLENGE INVOLVES MANAGING LOCAL EXPECTATIONS WITHIN A FEDERAL, OUTCOME-ORIENTED VISION.

FOR EXAMPLE, UNTIL RECENTLY, BY LAW, TRAINING SERVICES WERE AVAILABLE ONLY AFTER A DEFINED SEQUENCE OF SERVICES HAD BEEN PRESENTED. TRAINING ON DEMAND, AS IT EXISTED UNDER WIA'S PRECURSOR, THE JOB TRAINING PARTNERSHIP ACT, DID NOT EXIST.

ADDITIONALLY, USDOL EXPECTED STATES TO DEMONSTRATE A RETURN ON THEIR INVESTMENT. WHILE THERE WAS AN EXPECTATION THAT ALL APPLICANTS WOULD BE IN NEED, TRAINING WAS TO BE FUNDED FOR PERSONS LIKELY TO BENEFIT WHO REQUIRED ASSISTANCE BEYOND WHAT WAS AVAILABLE THROUGH OTHER PROGRAMS SUCH AS PELL GRANTS.

LAST DECEMBER, THE U.S. DEPARTMENT OF LABOR PROPOSED AMENDMENTS TO THE WORKFORCE INVESTMENT ACT TO CLARIFY THE "SEQUENCE OF SERVICES" REQUIREMENTS. ESSENTIALLY, THE AMENDMENT STATES THAT THE DEPARTMENT OF LABOR NEVER MEANT FOR THE SERVICE PROVISION TO BE APPLIED SEQUENTIALLY. WIA SERVICES CAN NOW BE PROVIDED SEQUENTIALLY, CONCURRENTLY, OR IN WHATEVER ORDER MAKES SENSE FOR THE INDIVIDUAL.

IN ANOTHER ENHANCEMENT TO ENSURE THAT CUSTOMERS ARE SERVED PROMPTLY, THE DEPARTMENT HAS IMPLEMENTED AN ON-LINE TRAINING APPLICATION WITHIN THE VOS SYSTEM. FOR THE FIRST TIME, THE DEPARTMENT CAN IDENTIFY IN REAL TIME THE NUMBER OF INDIVIDUALS THAT ARE SEEKING TRAINING SERVICES.

WITH DIMINISHING FEDERAL RESOURCES AND IN LIGHT OF AVAILABLE TECHNOLOGICAL ADVANCES, WE HAVE CHOSEN TO EXPLORE ELECTRONIC MECHANISMS TO CONNECT EMPLOYERS AND JOB SEEKERS AND TO PROVIDE INFORMATION AND SERVICES.

THE DEPARTMENT CONTINUES TO ENHANCE ITS VIRTUAL ONE-STOP (VOS) SYSTEM, A STATE-OF THE ART ELECTRONIC, INTERNET-BASED SYSTEM. FIRST IMPLEMENTED IN THE DISTRICT, THE VOS SYSTEM IS NOW OPERATIONAL IN 12 STATES INCLUDING LOUISIANA, HAWAII, INDIANA, AND VIRGINIA. EACH WEEK, OUR VOS SYSTEM AVERAGES MORE THAN 17,000 VISITS, MORE THAN 130,000 PAGE VIEWS, AND MORE THAN 500,000 "HITS." CLEARLY A "BEST PRACTICE", THE VOS STATE MODEL WAS PILOTED BY THE DEPARTMENT AND DOES HAS BEEN INSTRUMENTAL IN IDENTIFYING AND DEVELOPING SYSTEM COMPONENTS NOW BEING OFFERED TO OTHER STATES.

AS AN EXAMPLE, IN LATE 2005, THE DEPARTMENT SUSPECTED THAT THERE WAS A SIGNIFICANT UNDERCOUNTING OF SERVICES DUE TO HAVING INSUFFICIENT STAFF TO RECORD ALL SERVICES ACCESSED BY CUSTOMERS IN OUR ONE-STOP CAREER CENTERS. AFTER A LIMITED PILOT PROGRAM TO TEST THE EFFICACY OF THE INITIATIVE, WE IMPLEMENTED ANOTHER “BEST PRACTICE” - A PROGRAM THAT USES SCAN CARD TECHNOLOGY TO TRACK CUSTOMER ACTIVITY ACROSS ALL ONE-STOP CAREER CENTERS. CUSTOMERS ARE ISSUED CARDS WHICH THEY ARE REQUIRED TO SCAN BEFORE ACCESSING EMPLOYMENT SERVICES, WORKSHOPS, ORIENTATION SESSIONS, AND OTHER SELF-SERVICE ACTIVITIES.

IN CALENDAR YEAR (CY) 2006, ONE-STOP CAREER CENTER SYSTEM AND UNEMPLOYMENT INSURANCE (UI) BENEFITS STAFF WERE RESPONSIBLE FOR PROCESSING MORE THAN \$90 MILLION IN UI BENEFIT PAYMENTS. THIS INCLUDED THE HANDLING OF 24,577 INITIAL CLAIMS, 25,754 NONMONETARY ISSUES, AND 2,076 APPEALS. FURTHER, A NEW UI FRAUD DETECTION SYSTEM ASSISTED US IN DISCOVERING NEARLY \$2.4 MILLION IN OVERPAYMENTS. MOST IMPORTANTLY, WE SIGNIFICANTLY EXPANDED THE ABILITY OF CLAIMANTS AND EMPLOYERS TO SELF-MANAGE THEIR ACCOUNTS VIA THE INTERNET.

IN CY 2006, THE DEPARTMENT ALSO AGGRESSIVELY PURSUED A NUMBER OF TECHNOLOGICAL IMPROVEMENTS. THIS SUMMER, WE WILL COMPLETE DEVELOPMENT OF AN INTERACTIVE VOICE RESPONSE SYSTEM WHICH WILL ALLOW UI CLAIMANTS THE OPTION OF SUBMITTING THEIR INITIAL CLAIMS FORMS OVER THE TELEPHONE. THE DISTRICT IS ONE OF A HANDFUL OF STATES AFFORDING UNEMPLOYMENT INSURANCE CLAIMANTS TELEPHONE AND INTERNET FILING OPTIONS FOR INITIAL AND CONTINUED CLAIMS.

DEVELOPED IN PART THROUGH THE AGENCY'S PARTICIPATION IN A NATIONAL PROTÉGÉ-MENTOR PROGRAM SPONSORED BY THE DEPARTMENT OF LABOR, IN FY 2005, THE DEPARTMENT LAUNCHED THE BUSINESS SERVICES GROUP. TRAINED TO MARKET THE SERVICES OF THE DEPARTMENT, THE TEAM WORKS WITH THE BUSINESS COMMUNITY TO DETERMINE WHAT SERVICES AND PRODUCTS ARE REQUIRED TO MEET THEIR WORKFORCE NEEDS. THE BUSINESS SERVICES GROUP IS A PART OF THE DEPARTMENT'S ONE-STOP DELIVERY SYSTEM AND HAS BEEN RECOGNIZED AS A "BEST PRACTICE" BY THE DEPARTMENT OF LABOR.

THE FORMATION OF THE BUSINESS SERVICES GROUP GREW OUT OF THE NEED TO PROVIDE INTENSIVE HUMAN RESOURCES ASSISTANCE FOR THE WASHINGTON NATIONALS FIRST BASEBALL SEASON. IN RESPONSE, THE DEPARTMENT FORMED A PARTNERSHIP WITH THE WASHINGTON

NATIONALS BASEBALL CLUB, THE D.C. SPORTS AND ENTERTAINMENT COMMISSION, AND OTHER STAKEHOLDERS. THE PARTNERSHIP PLANNED AND IMPLEMENTED THE “GRAND SLAM” INITIATIVE.

THROUGH “GRAND SLAM,” THE DEPARTMENT’S BUSINESS SERVICES GROUP AND ONE-STOP SYSTEM HAVE HELPED THE RFK STADIUM AUTHORITY AND THEIR CONTRACTORS AND CONCESSIONAIRES AND THE CONTRACTORS AND SUBCONTRACTORS WORKING ON THE NEW BASEBALL STADIUM TO MEET THEIR HUMAN RESOURCES NEEDS. IN 2006, AS A RESULT, 1,658 INDIVIDUALS FOUND BASEBALL-RELATED EMPLOYMENT. OF THIS NUMBER, 1,136 (69%) WERE DISTRICT RESIDENTS.

FURTHER, THE DEPARTMENT HAS BEEN AN INTEGRAL PARTICIPANT IN THE FORMATION AND OPERATION OF THE NEW BASEBALL STADIUM PROJECT LABOR AGREEMENT (PLA) TASK FORCE, THE CENTRAL FORUM FOR THE EXCHANGE OF INFORMATION AND IDEAS CONCERNING THE PROGRESS AND IMPLEMENTATION OF THE PLA. THE TASK FORCE IS COMPOSED OF MEMBERS FROM LOCAL GOVERNMENT, ORGANIZED LABOR, THE BUSINESS SECTOR, AND COMMUNITY AND FAITH-BASED ORGANIZATIONS. THE TASK FORCE IS RESPONSIBLE FOR MONITORING THE ACHIEVEMENT OF PLA REQUIREMENTS REGARDING THE HIRING OF DISTRICT RESIDENTS AND THE PROVISION OF CONTRACTING OPPORTUNITIES TO LOCAL, SMALL, DISADVANTAGED BUSINESS

ENTERPRISES (LSDBES). IT ALSO SERVES AS AN ADVISORY BODY TO THE MAYOR AND OTHER DISTRICT OFFICIALS AND CONDUCTS COMMUNITY OUTREACH ACTIVITIES. IN ADDITION, THE DEPARTMENT HAS BEEN LARGELY RESPONSIBLE FOR STAFFING THE PLA TASK FORCE.

WE HAVE ALREADY INITIATED “GRAND SLAM” ACTIVITIES FOR THE 2007 NATIONALS SEASON. ON FEBRUARY 2, 2007, WE CO-SPONSORED A CONSTRUCTION CAREER AND INFORMATION FAIR AT THE D.C. ARMORY. MORE THAN 500 AREA RESIDENTS ATTENDED THIS EVENT. OTHER CO-SPONSORS INCLUDED CLARK/HUNT/SMOOT – A JOINT VENTURE, THE GENERAL CONTRACTOR ON THE NEW BASEBALL STADIUM PROJECT, THE D.C. SPORTS AND ENTERTAINMENT COMMISSION, AND THE WASHINGTON, D.C. BUILDING AND CONSTRUCTION TRADES COUNCIL. IN ADDITION, A JOB FAIR FOR CONCESSIONAIRES AND OTHER EMPLOYERS AT RFK STADIUM IS SCHEDULED FOR MARCH 3, 2007.

ON JULY 1, 2005, THE DEPARTMENT WAS AWARDED A NATIONAL EMERGENCY PLANNING GRANT BY THE U.S. DEPARTMENT OF LABOR. THE PURPOSE OF THIS GRANT IS TO SUPPORT THE PLANNING PROCESS RELATIVE TO THE CLOSING OR DOWNSIZING OF MILITARY INSTALLATIONS AS RECOMMENDED BY THE U.S. DEPARTMENT OF DEFENSE BASE REALIGNMENT AND CLOSURE (BRAC) COMMISSION.

IN 2006, THE DEPARTMENT HOSTED THE SECOND REGIONAL CONFERENCE FOR BRAC. ATTENDED BY THE DEPARTMENT OF LABOR'S ASSISTANT SECRETARY FOR EMPLOYMENT AND TRAINING, THIS CONFERENCE RESULTED IN THE FORMATION OF AN "AROUND THE BELTWAY" TASK FORCE REPRESENTING NEARBY COUNTIES IN MARYLAND AND VIRGINIA TO ENSURE THAT WE FORMULATE REGIONAL SOLUTIONS TO THE BRAC CHALLENGE. WE ALSO OPENED A SATELLITE CENTER AT WALTER REED ARMY MEDICAL CENTER TO SERVE WORKERS WHO HAVE BEEN DISLOCATED. IN 2007, WE WILL JOIN WITH OTHER STAKEHOLDERS TO CONTINUE TO PROVIDE ASSISTANCE TO INDIVIDUALS, BUSINESSES, AND COMMUNITIES THAT ARE IMPACTED BY BASE CLOSINGS AND DOWNSIZINGS.

ONE OF THE DEPARTMENT'S FUNDAMENTAL PRIORITIES IS TO HELP THOSE WHO HAVE SELFLESSLY PROTECTED THE NATION'S FREEDOM AND SECURITY BY SERVING IN THE ARMED FORCES. SERVICES ARE PROVIDED THROUGH FEDERALLY-FUNDED INITIATIVES INCLUDING THE DISABLED VETERANS' OUTREACH PROGRAM (DVOP), THE LOCAL VETERANS' EMPLOYMENT REPRESENTATIVE (LVER) PROGRAM, AND THE TRANSITION ASSISTANCE PROGRAM (TAP). IN SEPTEMBER 2006, THE DEPARTMENT WAS PRESENTED WITH THE NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES (NASWA) MARK SANDERS AWARD FOR EXCEPTIONAL SERVICES TO DISABLED VETERANS. THE AWARD

RECOGNIZED OUR INNOVATIVE REAL LIFELINES INITIATIVE AND OUR VETERANS ONE-STOP CAREER CENTER.

IN ORDER TO BROADEN AND ENHANCE OUR SERVICES TO DISTRICT RESIDENTS WITH BARRIERS TO EMPLOYMENT, THE DEPARTMENT TOOK THE LEAD IN DEVELOPING THE 2005 WAY-TO-WORK INITIATIVE. IN 2006, THE DEPARTMENT WORKED TO FULLY IMPLEMENT ALL THE ELEMENTS OF THIS GROUNDBREAKING INITIATIVE.

THE TRANSITIONAL EMPLOYMENT PROGRAM (TEP) OPERATES AS A SATELLITE ONE-STOP CENTER AND PROVIDES SUBSIDIZED EMPLOYMENT AND A COMPREHENSIVE MENU OF SUPPORTIVE SERVICES TO RESIDENTS RESIDING IN PERSISTENT PROBLEM AREAS. THE CORE ELEMENT OF THIS PROGRAM IS THE PROVISION OF SUBSIDIZED JOBS THROUGH WHICH PARTICIPANTS GAIN MUCH NEEDED WORK EXPERIENCE, MARKETABLE JOB SKILLS, AN INTERIM SOURCE OF INCOME, AND THE OPPORTUNITY TO DEMONSTRATE TO EMPLOYERS THAT THEY ARE DEPENDABLE WORKERS.

IN JUNE 2006, THE DEPARTMENT'S *PROJECT EMPOWERMENT PLUS* PROGRAM, THE PRECURSOR TO THE TRANSITIONAL EMPLOYMENT PROGRAM, WAS AWARDED THE U.S. DEPARTMENT OF LABOR'S RECOGNITION OF EXCELLENCE (ROE) AWARD IN THE "RECOGNIZING SPECIAL POPULATIONS IN THE WORKFORCE" CATEGORY FOR ITS WORK

WITH THE DISTRICT'S EX-OFFENDER RE-ENTRY PROGRAM. THE AWARD WAS PRESENTED AT THE 2006 WORKFORCE INNOVATIONS CONFERENCE WHERE MORE THAN 3,000 WORKFORCE DEVELOPMENT PROFESSIONALS FROM AROUND THE COUNTRY WERE IN ATTENDANCE.

SINCE THE TRANSITIONAL EMPLOYMENT PROGRAM WAS LAUNCHED IN OCTOBER OF 2005, WE HAVE ENROLLED 1,281 PARTICIPANTS AND HAVE PLACED 420 OF THEM INTO UNSUBSIDIZED EMPLOYMENT.

IN 2006, THE DEPARTMENT ESTABLISHED TEN PRE-APPRENTICESHIP TRAINING PROGRAMS TO PROVIDE PREPARATORY TRAINING TO ASSIST RESIDENTS TO MEET ELIGIBILITY REQUIREMENTS FOR FORMAL REGISTERED APPRENTICESHIP PROGRAMS. TWO HUNDRED-FORTY RESIDENTS WERE ENROLLED AND 121 SUCCESSFULLY COMPLETED THE PROGRAM AND WERE ACCEPTED AS APPRENTICES.

TO DATE IN FY 2007, NINE UNIONS AND ONE NON-UNION EMPLOYER HAVE COMMITTED TO SPONSORING PRE-APPRENTICESHIP PROGRAMS. SIX SPONSORS (THE WASHINGTON AREA NEW AUTOMOBILE DEALERS ASSOCIATION {WANADA}, ELECTRICIANS LOCAL NO. 26, PLUMBERS LOCAL NO. 5, IRONWORKERS LOCAL NO. 5, SHEET METAL WORKERS UNION LOCAL NO. 100, AND THE CARPENTERS JOINT APPRENTICESHIP COMMITTEE) HAVE ALREADY BEGUN THEIR PROGRAMS, ENROLLING 105

DISTRICT RESIDENTS SO FAR. IT IS EXPECTED THAT PRE-APPRENTICESHIP SPONSORS WILL ENROLL APPROXIMATELY 250 DISTRICT RESIDENTS IN FY 2007.

THE DEPARTMENT HAS ALSO MADE PROGRESS IN IMPLEMENTING THE “LIVING WAGE ACT OF 2006” (TITLE 1, D.C. LAW 16-118) WHICH REQUIRES COVERED EMPLOYERS WHO HAVE CONTRACTS WITH THE DISTRICT GOVERNMENT TO PAY THEIR EMPLOYEES A MINIMUM “LIVING WAGE,” CURRENTLY SET AT \$11.75 PER HOUR. THE DEPARTMENT DRAFTED AND SUBMITTED RULES FOR THE LEGISLATION IN DECEMBER 2006. A REVISED DRAFT OF THE RULES WAS SUBMITTED TO THE OFFICE OF THE ATTORNEY GENERAL ON JANUARY 31, 2007.

THE YOUTH EMPLOYMENT SERVICE INITIATIVE (YESI) ESTABLISHED A YEAR-ROUND PROGRAM THAT PROVIDES OUT-OF-SCHOOL YOUTH WITH TRAINING AND WORK EXPERIENCE. AT PRESENT, 180 DISTRICT YOUTH, 16-24 YEARS OF AGE, ARE ENROLLED IN THE PROGRAM. FURTHER, THE DEPARTMENT IS CURRENTLY PREPARING LEGISLATION TO REDUCE THE MINIMUM ELIGIBILITY AGE OF THE YESI PROGRAM FROM 16 TO 14 YEARS OF AGE. THE PURPOSE OF THE PROPOSED LEGISLATION IS TO AUTHORIZE THE PROVISION OF SERVICES TO YOUNGER, IN-SCHOOL YOUTH IN ORDER TO PROVIDE THEM WITH CONSTRUCTIVE AFTER-SCHOOL ACTIVITIES.

THE WAY-TO-WORK INITIATIVE ALSO AUTHORIZED THE EXPANSION OF THE DEPARTMENT'S WELL-REGARDED MAYOR'S YOUTH LEADERSHIP INSTITUTE (MYLI). CREATED IN 1979, MYLI PROVIDES PROFESSIONAL AND LEADERSHIP DEVELOPMENT OPPORTUNITIES TO ELIGIBLE DISTRICT YOUTH THROUGH INNOVATIVE, COMMUNITY-BASED PROGRAMMING. IN THE SUMMER OF 2006, 542 DISTRICT YOUTH PARTICIPATED IN THE MYLI SUMMER COMPONENT, SURPASSING ITS GOAL OF SERVING 500 YOUNG PEOPLE. CURRENTLY, 255 DISTRICT YOUTH ARE ENROLLED IN THE MYLI YEAR-ROUND COMPONENT.

THE DEPARTMENT'S OFFICE OF YOUTH PROGRAMS ALSO ADMINISTERS SEVERAL IMPORTANT PROGRAMS FUNDED THROUGH THE FEDERAL WIA PROGRAM. THESE INCLUDE THE YEAR-ROUND IN-SCHOOL PROGRAM THAT PROVIDES YOUTH WHO ARE ATTENDING SCHOOL WITH EMPLOYABILITY TRAINING, ACADEMIC ENRICHMENT ACTIVITIES, AND LEADERSHIP DEVELOPMENT. OUR WIA OUT-OF-SCHOOL PROGRAM IS DESIGNED TO ASSIST YOUNG PEOPLE WHO ARE NO LONGER ENROLLED IN SCHOOL TO ACHIEVE BOTH SHORT AND LONG-TERM EDUCATIONAL AND EMPLOYMENT GOALS, AS WELL AS INCREASE THEIR POTENTIAL FOR SUSTAINABLE EMPLOYMENT.

IN PROGRAM YEAR 2005, THE DEPARTMENT'S PERFORMANCE IN FEDERAL YOUTH PROGRAMS CONTINUED TO LEAD THE NATION EXCEEDING SEVEN

OF THE EIGHT WIA YOUTH SERVICES CORE PERFORMANCE MEASURES NEGOTIATED WITH THE U.S. DEPARTMENT OF LABOR. RECENTLY THE DISTRICT WAS ASKED TO PRESENT OUR MODEL TO PENNSYLVANIA PARTNERS AT THEIR STATE YOUTH PROVIDERS CONFERENCE.

IN 2006, OUR PASSPORT-TO-WORK SUMMER YOUTH EMPLOYMENT PROGRAM (SYEP) PROVIDED REWARDING EMPLOYMENT AND EDUCATIONAL OPPORTUNITIES FOR 10,827 DISTRICT YOUNG PEOPLE. PARTICIPANTS WORKED IN SUBSIDIZED POSITIONS WITH DISTRICT GOVERNMENT AGENCIES AND NON-PROFIT ORGANIZATIONS AND IN UNSUBSIDIZED POSITIONS IN THE PRIVATE SECTOR AND THE FEDERAL GOVERNMENT. THE DEPARTMENT HAS ALREADY INITIATED OUTREACH AND REGISTRATION ACTIVITIES FOR THE 2007 SYEP IN WHICH WE EXPECT TO SERVE APPROXIMATELY 11,000 YOUTH.

THE DEPARTMENT ALSO UTILIZES LOCAL SYEP FUNDING TO SUPPORT THE D.C. PUBLIC SCHOOLS DISTRICT-WIDE SUMMER BRIDGE PROGRAM. THIS CRITICAL PROGRAM PROVIDES TRANSITIONAL SUPPORT SERVICES TO STUDENTS WHO ARE MOVING FROM MIDDLE SCHOOL TO SENIOR HIGH SCHOOL.

AS WE MOVE INTO 2007, BASED ON MAYOR FENTY'S VISION, THE DEPARTMENT IS POISED TO USE LOCAL WAY-TO-WORK FUNDING TO TAKE

THE AGENCY BACK TO THE COMMUNITY. WE ARE WORKING CLOSELY WITH THE BRENTWOOD/CARVER TERRACE/LANGSTON DWELLINGS COMMUNITY IN WARD 5. WE ARE PLANNING TO INCREASE OUR PRESENCE IN THE SPINGARN HIGH SCHOOL COMMUNITY BY IMPLEMENTING PROGRAMS FOR IN-SCHOOL AND SUSPENDED STUDENTS, OUT-OF-SCHOOL YOUTH, AND ADULTS.

MODELING OUR SUCCESSFUL BUSINESS SERVICES GROUP CONCEPT, WE ARE CLOSE TO IMPLEMENTING A COMMUNITY SERVICES GROUP (CSG) BEGINNING IN WARD 5 AND EAST OF THE RIVER. CSG STAFF WILL BE CHARGED WITH RENEWING AGENCY CONNECTIONS TO COMMUNITY-BASED AND FAITH-BASED ORGANIZATIONS, ADVISORY NEIGHBORHOOD COMMISSIONS, AND OTHER NEIGHBORHOOD ENTITIES TO ENSURE THAT THE NEEDS OF LOCAL COMMUNITIES AND NEIGHBORHOODS ARE UNDERSTOOD AND ADDRESSED BY THE DEPARTMENT.

THE DEPARTMENT CONTINUES TO WORK IN COLLABORATION WITH THE WORKFORCE INVESTMENT COUNCIL (WIC) TO DEVELOP WORKFORCE DEVELOPMENT POLICIES THAT PROMOTE THE EMPLOYMENT OF DISTRICT RESIDENTS. IN FISCAL YEAR 2007, DOES WILL CONTINUE TO WORK WITH THE WIC IN FORMULATING A COMPREHENSIVE WORKFORCE DEVELOPMENT STRATEGIC PLAN FOR THE CITY; IMPLEMENTING A INDUSTRY SECTOR INITIATIVE FOCUSING ON JOB OPPORTUNITIES IN THE

HEALTH CARE, BANKING, CONSTRUCTION, AND HOSPITALITY/TOURISM INDUSTRIES; AND DEVELOPING AN ENHANCED POLICY TO ENSURE THAT THE CITY'S ECONOMIC DEVELOPMENT RESULTS IN INCREASED JOBS FOR RESIDENTS. THESE INITIATIVES SUPPORT MAYOR FENTY'S FOCUS ON PROGRAMS AND SERVICES THAT CONNECT RESIDENTS TO JOBS.

THE DEPARTMENT FACES SEVERAL SIGNIFICANT CHALLENGES AS WE MOVE FORWARD IN 2007. FIRST, IT IS IMPERATIVE THAT THE DISTRICT DESIGN A COMPREHENSIVE WORKFORCE DEVELOPMENT STRATEGY THAT BRINGS TOGETHER ALL THE DISPARATE STAKEHOLDERS IN THE CITY. WE ARE FULLY COMMITTED TO BEING AN INTEGRAL PART OF THIS IMPORTANT PROCESS. THERE ARE MULTIPLE WORKFORCE DEVELOPMENT FUNDING STREAMS GOING TO SEVERAL DISTRICT GOVERNMENT AGENCIES (INCLUDING DOES, HUMAN SERVICES, HOUSING AND COMMUNITY DEVELOPMENT, UDC, AND THE D.C. PUBLIC SCHOOLS, AMONG OTHERS) AS WELL AS TO COMMUNITY-BASED ORGANIZATIONS. MAYOR FENTY HAS RECOGNIZED THIS IMPERATIVE IN HIS "100 DAYS AND BEYOND" ACTION PLAN.

SECOND, IT IS CRITICAL THAT WE DEVELOP WORKFORCE SERVICE STRATEGIES THAT ADDRESS THE DISTRICT'S ADULT LITERACY PROBLEMS. IN A CITY IN WHICH MORE THAN 150,000 ADULTS ARE "FUNCTIONALLY ILLITERATE," MANY OF OUR PROGRAMS FACE

SIGNIFICANT DIFFICULTIES IN RECRUITING CUSTOMERS WHO HAVE THE BASIC SKILLS NECESSARY TO BENEFIT FROM THE SERVICES THAT THE PROGRAMS PROVIDE. THE SKILLS AND LITERACY GAPS THAT EXIST BETWEEN THE NEEDS OF AREA EMPLOYERS AND THE ABILITIES OF MANY DISTRICT RESIDENTS MUST BE CLOSED.

THIRD, WE MUST STRENGTHEN ENFORCEMENT OF THE DISTRICT'S FIRST SOURCE PROGRAM. TO ENSURE THAT THE CITIZENS OF THE DISTRICT BENEFIT FULLY FROM ECONOMIC DEVELOPMENT PROJECTS FINANCED BY THE DISTRICT, IT IS CRUCIAL THAT SUFFICIENT RESOURCES BE DEVOTED TO EFFECTIVE MONITORING AND ENFORCEMENT ACTIVITIES. FURTHER, THE ECONOMIC DEVELOPMENT PROCESS MUST BE CHANGED TO PROVIDE DOES WITH EARLIER NOTIFICATION OF THE TYPES OF JOBS AND SKILL SETS THAT WILL BE REQUIRED PRIOR TO PROJECTS AND CONTRACTS BEING FINALIZED. THIS WILL ALLOW THE DEPARTMENT TO MORE EFFECTIVELY PREPARE JOB-SEEKING RESIDENTS FOR AVAILABLE JOB OPPORTUNITIES AND TO BETTER MEET THE NEEDS OF COVERED EMPLOYERS.

FOURTH, IT IS CRITICAL THAT APPRENTICESHIP PROGRAM MANDATES, AS STIPULATED IN D.C. LAW 2-156, BE ENFORCED. SIMILAR TO THE FIRST SOURCE PROGRAM, THE DEPARTMENT HAS ENCOUNTERED NON-COMPLIANCE AMONG SOME CONTRACTORS COVERED BY THIS

LEGISLATION. AGAIN, SUFFICIENT RESOURCES MUST BE MADE AVAILABLE TO SUPPORT AN EFFECTIVE MONITORING AND ENFORCEMENT REGIMEN.

FIFTH, ADDITIONAL RESOURCES ARE NEEDED TO MEET THE WORKFORCE DEVELOPMENT NEEDS OF THE DISTRICT'S ECONOMIC AND SOCIALLY DISADVANTAGED RESIDENTS. HELPING THESE RESIDENTS IS A CLEAR PRIORITY OF MAYOR FENTY. THESE INDIVIDUALS, WHO FACE DAUNTING BARRIERS TO EMPLOYMENT, NEED INNOVATIVE PROGRAMMING AND INTENSIVE SERVICES TO BE ABLE TO FULLY JOIN IN THE 21ST CENTURY WORKFORCE, ENTER LONG-TERM SUSTAINABLE EMPLOYMENT, AND ACHIEVE ECONOMIC SELF-SUFFICIENCY. THE GREAT MAJORITY OF THE DISTRICT'S WORKFORCE DEVELOPMENT RESOURCES COME FROM FEDERAL GRANTS. THESE FUNDS ARE HIGHLY REGULATED AND RESTRICTED AS TO USE. WHILE THE 2005 WAY-TO-WORK INITIATIVE WAS A GOOD START, INCREASED LOCAL FUNDING IS REQUIRED TO DELIVER EFFECTIVE SERVICES TO THE RESIDENTS WHO MOST NEED THEM.

SIXTH, OUR OFFICE OF WORKERS' COMPENSATION (OWC) MUST INCREASE ITS EFFORTS TO EFFECT COMPLIANCE WITH THE COVERAGE PROVISIONS OF THE WORKERS' COMPENSATION ACT OF 1979, AS AMENDED. TO MEET THIS CHALLENGE, THE OWC WILL IMPLEMENT A PUBLIC RELATIONS CAMPAIGN TO INFORM EMPLOYERS OF THEIR NEED TO MAINTAIN

WORKERS' COMPENSATION COVERAGE. WE WILL ALSO COLLABORATE WITH THE OFFICE OF CONSUMER AND REGULATORY AFFAIRS TO EMPHASIZE THE NEED FOR WORKERS' COMPENSATION COVERAGE AT THE TIME OF EMPLOYER LICENSING.

FINALLY, OUR OFFICE OF HEARINGS AND ADJUDICATION'S ADMINISTRATIVE HEARINGS DIVISION MUST EXPEDITE THE RESOLUTION OF PENDING CLAIMS WITH AN AGE OF MORE THAN 120 DAYS FROM THE DATE OF APPLICATION FOR FORMAL HEARING. CURRENTLY, THE DIVISION IS AGGRESSIVELY RECRUITING ADMINISTRATIVE LAW JUDGES TO INCREASE OUR CAPACITY TO RESOLVE CASES MORE EXPEDITIOUSLY. WE ALSO PLAN TO INCREASE EFFICIENCY BY HIRING AND TRAINING LAW CLERKS AND INTERNS TO PERFORM PARA-PROFESSIONAL LEVEL TASKS. WE WILL DEVELOP OF A CADRE OF ATTORNEYS AND PARA-PROFESSIONALS WHO ARE FAMILIAR WITH THE PRIVATE AND PUBLIC SECTOR WORKERS' COMPENSATION LAWS IN THE DISTRICT, AS WELL AS RELEVANT PROVISIONS OF THE ADMINISTRATIVE PROCEDURES ACT.

THE DEPARTMENT HAS ESTABLISHED FIVE MAJOR GOALS FOR 2007 THAT ARE IN KEEPING WITH MAYOR FENTY'S VISION FOR THE CITY. FIRST, THE DEPARTMENT WILL AGGRESSIVELY SEEK TO BUILD PARTNERSHIPS, COLLABORATIVES, AND INTER-AGENCY INITIATIVES TO IMPROVE AND EXPAND SERVICE DELIVERY. WE WILL EMPLOY THIS COLLABORATIVE

APPROACH TO DESIGN, DEVELOP, AND IMPLEMENT A COMPREHENSIVE WORKFORCE DEVELOPMENT STRATEGY THAT MEETS THE NEEDS OF BOTH DISTRICT JOB SEEKERS AND EMPLOYERS. OUR RECENT WORK WITH THE CRIMINAL JUSTICE SYSTEM, COMMUNITY-BASED ORGANIZATIONS, AND THE BUSINESS SECTOR ON ADDRESSING THE NEEDS OF EX-OFFENDERS IS AN EXAMPLE OF THE KIND OF EFFECTIVE, BROAD-BASED PARTNERSHIPS WE WILL PURSUE.

SECOND, WE WILL REDOUBLE OUR EFFORTS TO PROVIDE SERVICES AND ACTIVITIES THAT MEET THE NEEDS OF THOSE RESIDENTS WHO HAVE BEEN UNABLE TO SUCCESSFULLY ENTER OR REMAIN IN THE WORKFORCE DUE TO ECONOMIC, SOCIAL, OR EDUCATIONAL DISADVANTAGES. WE WILL EXPAND OUR PRESENCE IN PERSISTENT PROBLEM AREAS OF THE DISTRICT, WORKING WITH OTHER DISTRICT GOVERNMENT AGENCIES AND COMMUNITY GROUPS TO BRING NEW LIFE TO THESE NEIGHBORHOODS.

THIRD, IN LINE WITH MAYOR FENTY'S DEDICATION TO EDUCATIONAL EXCELLENCE, WE WILL REDOUBLE OUR EFFORTS TO BECOME FULL PARTNERS WITH THE D.C. PUBLIC SCHOOLS, CHARTER SCHOOLS, UDC, AND PRIVATE UNIVERSITIES TO PROVIDE WORKFORCE PREPARATION SERVICES TO DISTRICT YOUTH AND ADULTS. WE KNOW FIRST HAND THE DIFFICULTY OF EFFECTIVELY SERVING INDIVIDUALS WHO LACK THE BASIC EDUCATIONAL SKILLS THAT ARE ESSENTIAL IN A 21ST CENTURY ECONOMY. WE ARE ALREADY PURSUING APPRENTICESHIP AND JOB

TRAINING LINKAGES WITH MCKINLEY TECH, BALLOU, AND THE BOOKER T. WASHINGTON CHARTER SCHOOL AND PLAN TO DEVELOP AN INNOVATIVE HEALTH CARE EDUCATION INITIATIVE WITH SOUTHEASTERN AND CATHOLIC UNIVERSITIES, LOCAL HEALTH ASSOCIATIONS, AND THE HEALTH INDUSTRY.

FOURTH, WE WILL GREATLY EXPAND THE PRESENCE OF OUR MANAGERS AND STAFF IN THE COMMUNITY AT THE GRASSROOTS LEVEL. WE WILL LISTEN CAREFULLY TO WHAT OUR CUSTOMERS HAVE TO SAY AND SEEK TO GIVE THEM WHAT THEY WANT AND NEED. OUR WORK IN TARGETED COMMUNITIES HAS DEMONSTRATED CLEARLY THE IMPORTANCE OF COMMUNITY INVOLVEMENT IN THE EFFECTIVE DELIVERY OF SERVICES.

FIFTH, WE WILL SEEK TO LEARN FROM OUR PEERS IN OTHER CITIES AND STATES AND OUR FEDERAL PARTNERS TO DEVELOP AND IMPLEMENT STATE-OF-THE-ART SERVICE DELIVERY APPROACHES AND BEST PRACTICES MODELS THAT WILL FACILITATE QUALITY SERVICES DELIVERED EFFECTIVELY AND ON TIME. WE WILL FOLLOW MAYOR FENTY'S EXAMPLE AND OPEN PRODUCTIVE DIALOGUES WITH SUCCESSFUL WORKFORCE DEVELOPMENT SERVICES PROFESSIONALS FROM THROUGHOUT THE NATION.

IN SUMMATION, WE ARE ENCOURAGED BY OUR FY 2006 SUCCESSES AND
EXCITED BY THE OPPORTUNITIES THAT FY 2007 WILL PRESENT.

WE ARE EAGER TO WORK WITH THE COUNCIL TO IMPROVE THE
DISTRICT'S ECONOMIC CLIMATE AND TO MOLD A SKILLED WORKFORCE
THAT CAN MEET THE CHALLENGES OF THE 21ST CENTURY. I WILL BE
HAPPY TO ANSWER ANY QUESTIONS THAT YOU MAY HAVE AT THIS TIME.